



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

For Immediate Release
February 22, 2000

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TREASURER ANNOUNCES MORE GOOD CREDIT NEWS MOODY'S UPGRADES CREDIT OUTLOOK FROM STABLE TO POSITIVE

Sacramento, CA - State Treasurer Philip Angelides announced today that Moody's Investors Service is improving California's credit outlook, lifting it from "stable" to "positive." Moody's Investors Service last upgraded California's credit rating in October 1998 to its current Aa3. Today's credit outlook upswing comes on the heels of an upgrade earlier this week from Fitch IBCA and follows a request by the Treasurer at meetings with rating agencies and State Department of Finance officials.

"Moody's increased confidence is further confirmation that our hard work to put the State's fiscal house in order is paying off and will save California taxpayers millions of dollars in reduced interest costs," said Treasurer Angelides.

The improved credit outlook is the third piece of good credit news for the State to come since Treasurer Angelides took office and is another step towards restoring California's triple A rating.

The Treasurer's request for rating upgrades was based on a number of important factors, including California's diverse economy and continued strong growth; prudent financial management; modest debt levels; prudent use of additional revenues for one-time expenditures and set-asides.

Treasurer Angelides pledged, when campaigning for office, to work hard to raise the State's credit rating which, at the time, was the third worst in the country.

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